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November 14, 2001


Dear Geneva Vendor:

Beginning today, Geneva Steel is commencing a temporary shutdown of several of our production operations. The Company has been generating negative cash flow for many months, and cannot continue to fund operating losses. The temporary shutdown is intended to conserve cash during the current weak market conditions. This situation is the direct result of a prolonged period of low-priced imports combined with weak domestic demand for the Company's products. We expected that improved demand this fall and President Bush's initiation of a Section 201 trade case would help avoid a temporary shutdown. Unfortunately, the weakness in the economy, exacerbated by the tragic events of September 11, has postponed any increase in demand, and any Section 201 trade relief is still months away. Most of the Company's employees will be laid off during the temporary shutdown. The few employees who remain will be dedicated to preserving the Company's facilities and implementing a strategy designed to create a stronger, more financially stable Company.

Geneva's hot end facilities, caster and rolling mill are currently in the process of being idled. Work-in-process inventory will be finished and sold along with existing finished product inventory. The Company's ERW pipe mill may possibly continue to operate and sell both API pipe and piling. The Company's finishing facilities may also continue to operate using purchased feed stock to the extent justified by market conditions. As soon as market conditions improve, Geneva intends to resume full operations and again offer a full product line for sale.

I invite you to attend an important meeting of vendors to be held on Friday, November 16, 2001, at 10:00 a.m. in the Capital A Ballroom at the Salt Lake City Center Marriott Hotel, 220 South State Street, Salt Lake City, Utah. Only Geneva vendors will be allowed to attend the meeting. All individuals must pre-register with Geneva. Please contact Lori Loumis at (801) 227-9228 to pre-register. For security purposes, please bring with you a business card and a photo I.D. We suggest that representatives of your company having decision-making authority with respect to your relationship with Geneva be in attendance. If you are unable to attend the meeting in person, you may join the meeting by conference call. Please contact Lori Loumis at (801) 227-9228 to obtain the dial-in information. During the meeting, I will make a presentation regarding the Company's current situation and strategy for the future. I sincerely believe that, despite the hardships we currently face, we have a credible strategy for building a better Company. I will also discuss with you the Company's proposal to vendors with respect to the Company's future. This will be a very important meeting for both Geneva and our vendors. I look forward to seeing you there.

Sincerely,



Ken C. Johnsen  
President and CEO

KCJ:lgf

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DIVISION OF  
OIL, GAS AND MINING

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